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Senate Dems criticize OMB competitive sourcing plan

By Jason Peckenpaugh

jpeckenpaugh@govexec.com

Thirty-five Senate Democrats Tuesday criticized a White House effort to open 425,000 federal jobs to private sector competition, saying the competition drive is biased in favor of contractors and could end up hurting employees in the pocketbook.

The lawmakers were particularly critical of [administration revisions](#) to Office of Management and Budget Circular A-76, the rulebook of federal outsourcing, which they said would make it more difficult for federal employees to win public-private job competitions.

“The new policy will force agencies to privatize work without competition if agencies fail to meet arbitrary deadlines,” the 35 lawmakers in a Feb. 4 letter to OMB Director Mitch Daniels. “With no new in-house resources, it is unlikely that agencies will be able to meet these deadlines.”

OMB set a 12-month deadline for job competitions in its revision to OMB Circular A-76, but the circular also lets agencies propose a different time frame when they announce a competition, provided they notify the deputy director of management at OMB. Virtually all civilian agencies and the Defense Department [protested the 12-month deadline](#) in comments on the revised circular.

OMB [considered timeframes](#) of 15, 18, and 24 months before settling on the 12-month deadline in the draft revision.

The Senate Democrats also alleged that Bush’s competition drive would end up lowering the standard of living for federal employees that lose competitions and go to work for contractors. “Contractors have incentives to reduce costs by providing inferior compensation packages for those who perform government work, and displaced federal workers are likely to lose their jobs, their health care, and their security for the future,” said the letter.

An official with an association of contractors rebuked this charge. “That is simply not true,” said Alan Chvotkin, senior vice president of the Professional Services Council, an Arlington, Va.-based contractors’ association. “Just because contractors aren’t on the general schedule doesn’t mean they do not offer competitive wage and benefit packages.” OMB did not respond to requests to comment on the letter.

The lawmakers also urged OMB to make agencies track the cost of contractors and to let federal employees compete for new work at federal agencies, which is typically offered to contractors. Both of these are chief concerns of the largest federal employee union, the American Federation of Government Employees, which praised the Senate letter.

“Federal employees have my personal guarantee that we will take advantage of every opportunity to challenge the Bush administration's attempt to use privatization to pay off their contractor cronies with taxpayer dollars,” said Bobby Harnage, president of AFGE.

Sen. Edward Kennedy, D-Mass., orchestrated the Senate letter, which was signed by Democratic presidential hopefuls Sen. Joe Lieberman, D-Conn., Sen. John Edwards, D-N.C., and Sen. John Kerry, D-Mass. Edwards has proposed to cut the federal workforce by 10 percent to free up funds to pay for homeland security.